

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

GREAT AMERICAN INSURANCE COMPANY,

Plaintiff,

v.

Case Number 09-12488-BC
Honorable Thomas L. Ludington

GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON, JOHN W.
PARROTT, S. DAVID PLUMMER, SPENCER D.
PLUMMER, CLASSICSTAR FARMS, INC.,
CLASSICSTAR FARMS, LLC, FIRST SOURCE
WYOMING, INC., GEOSTAR EQUINE ENERGY,
INC., GEOSTAR FINANCIAL CORPORATION,
GEOSTAR FINANCIAL SERVICES
CORPORATION, and DOES 1-100,

Defendants,

and

AXIS REINSURANCE COMPANY,

Plaintiff,

v.

Case Number 09-12608-BC
Honorable Thomas L. Ludington

GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON, JOHN W.
PARROTT, S. DAVID PLUMMER, SPENCER D.
PLUMMER, CLASSICSTAR FARMS, INC.,
CLASSICSTAR FARMS, LLC, FIRST SOURCE
WYOMING, INC., GEOSTAR EQUINE ENERGY,
INC., GEOSTAR FINANCIAL CORPORATION,
GEOSTAR FINANCIAL SERVICES
CORPORATION, and DOES 1-100,

Defendants,

and

GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON, JOHN W.
PARROTT, CLASSICSTAR FARMS, INC., FIRST
SOURCE WYOMING, INC., GEOSTAR
FINANCIAL CORPORATION, and GEOSTAR
FINANCIAL SERVICES CORPORATION,

Plaintiffs,

v.

Case Number 09-14306-BC
Honorable Thomas L. Ludington

AXIS REINSURANCE COMPANY,

Defendant,

v.

S. DAVID PLUMMER and SPENCER D.
PLUMMER,

Plaintiff-Intervenors.

STIPULATED JUDGMENT

The parties to the above-captioned cases agree to a Stipulated Judgment as follows:

1. The plaintiff insurers, Great American Insurance Company (“Great American”) and AXIS Reinsurance Company (“AXIS”), filed the captioned lawsuits (case numbers 09-12488 and 09-12608) to obtain a judicial declaration that, among other things, the insurance policies listed in paragraph 2 below are rescinded and void *ab initio*.

2. The plaintiff insurers issued the following insurance policies (collectively, the “Policies”), respectively:

- a. AXIS Policy No. RCN 504100-00 (Policy Period September 18, 2004-05)
 (“2004 AXIS Policy”);

- b. Great American Policy No. DFX0009868 (Policy Period September 18, 2004-05) (“2004 Great American Policy”);
- c. AXIS Policy No. RCN 709799/01/2005 (Policy Period September 18, 2005-06, extended by endorsement to March 30, 2007, with an extended reporting period until March 30, 2008) (“2005 AXIS Policy”);
- d. Great American Policy No. DFX0009868 (Policy Period September 18, 2005-06, extended by endorsement to March 18, 2007, with an extended reporting period until March 18, 2008) (“2005 Great American Policy”).

3. The plaintiff insurers issued the Policies in reliance on information provided by the defendant insureds in the following written applications and related documents (collectively, the “Applications”), respectively:

- a. SecurExcess Application for an Excess Policy was signed on July 9, 2004 and, along with related documents including financial statements, submitted to AXIS to obtain the 2004 AXIS Policy;
- b. Private Corporation Proposal Form was signed on October 28, 2004 and, along with related documents including financial statements, submitted to Great American to obtain the 2004 Great American Policy;
- c. SecurExcess Application for an Excess Policy was signed on September 1, 2005 and, along with related documents including financial statements, submitted to AXIS to obtain the 2005 AXIS Policy;
- d. Private Corporation Renewal Proposal Form was signed on September 1, 2005 and, along with related documents including financial statements, submitted to Great American to obtain the 2005 Great American Policy.

4. The individual defendants held the following positions, among others, at the time the Applications were signed:

- a. Thom E. Robinson was the President and Chairman of the Board of Directors of GeoStar Corporation, ClassicStar Farms, Inc., ClassicStar Farms, LLC, First Source Wyoming, Inc., GeoStar Equine Energy, Inc., GeoStar Financial Corporation, and GeoStar Financial Services Corporation. Thom E. Robinson was also a Manager of ClassicStar, LLC;
- b. John W. Parrott was a director, officer, and the in-house general counsel of GeoStar Corporation, ClassicStar Farms, Inc., ClassicStar Farms, LLC, First Source Wyoming, Inc., GeoStar Equine Energy, Inc., GeoStar Financial Corporation, and GeoStar Financial Services Corporation;
- c. Tony P. Ferguson was a director and officer of GeoStar Corporation, ClassicStar Farms, Inc., ClassicStar Farms, LLC, First Source Wyoming, Inc., GeoStar Equine Energy, Inc., GeoStar Financial Corporation, and GeoStar Financial Services Corporation. Tony P. Ferguson was also a Manager of ClassicStar Farms, LLC;
- d. S. David Plummer was the former President of ClassicStar, LLC and the Director of Marketing for GeoStar Corporation; and
- e. Spencer D. Plummer was the President of ClassicStar, LLC.

5. The requirements for rescission of the Policies, including all premiums being returned, have been met.

6. The parties each consent to the entry of an order declaring the Policies rescinded and void *ab initio*, and dismissing their lawsuits with prejudice and with each party bearing its own costs, as set forth in the attached proposed order.

Dated: July 16, 2010

Respectfully submitted,

/s/Paul F. Matousek

/s/ Michael T. Skoglund

Paul F. Matousek
Joseph J. Borders
William P. Zeller
WALKER WILCOX & MATOUSEK LLP
225 W. Washington St., Suite 2400
Chicago, Illinois 60606
(312) 244-6700

Robert J. Bates, Jr.
Ommid C. Farashahi
Maryann C. Hayes
Michael T. Skoglund
BATES & CAREY LLP
191 North Wacker Dr., Suite 2400
Chicago, Illinois 60606
(312) 762-3100

David A. Wallace (P24149)
Gregory W. Mair (P67465)
O'NEILL, WALLACE & DOYLE, P.C.
300 St. Andrews Rd., Suite 302
Saginaw, Michigan 48605
(989) 790-0960

Audrey J. Forbush (P41744)
Charles W. Browning (P32978)
Amy L. Witt (P65622)
PLUNKETT COONEY, P.C.
38505 Woodward Ave., Suite 2000
Bloomfield Hills, Michigan 48304
(248) 901-4000

**ATTORNEYS FOR PLAINTIFF
GREAT AMERICAN INSURANCE
COMPANY**

**ATTORNEYS FOR PLAINTIFF
AXIS REINSURANCE COMPANY**

/s/ Mark S. Hersh

/s/ Jason W. Crowell

Mark S. Hersh
David M. Rosenfield
REED SMITH LLP
10 South Wacker Dr., 40th Floor
Chicago, Illinois 60606
(312) 207-6400

J. Ronald Sim
STOEL RIVES LLP
600 University Street, Suite 3600
Seattle, Washington 98101-4109
(206) 386-7592

Brian M. Johnson
GREENEBAUM DOLL & MCDONALD,
PLLC

Jason W. Crowell
STOEL RIVES LLP
201 South Main Street, Suite 1100

300 West Vine St., Suite 1100
Lexington, Kentucky 40507
(859) 231-2742

Rozanne M. Giunta (P29969)
John E. Gannon (P41349)
LAMBERT, LESER, ISACKSON, COOK &
GIUNTA, P.C.
916 Washington Ave., Suite 309
Bay City, Michigan 48708
(989) 893-3518

**ATTORNEYS FOR DEFENDANTS
GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON,
JOHN W. PARROTT, CLASSICSTAR
FARMS, INC., FIRST SOURCE
WYOMING, INC., GEOSTAR
FINANCIAL CORPORATION AND
GEOSTAR FINANCIAL SERVICES
CORPORATION**

Salt Lake City, Utah 84111
(801) 578-6987

L. William Smith
GILBERT, SMITH & BORRELLO, P.C.
(P27029)
721 South Michigan Ave.
Saginaw, Michigan 48602
(989) 790-2500

**ATTORNEYS FOR DEFENDANTS S.
DAVID PLUMMER AND SPENCER D.
PLUMMER**

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

GREAT AMERICAN INSURANCE COMPANY,

Plaintiff,

v.

Case Number 09-12488-BC
Honorable Thomas L. Ludington

GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON, JOHN W.
PARROTT, S. DAVID PLUMMER, SPENCER D.
PLUMMER, CLASSICSTAR FARMS, INC.,
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WYOMING, INC., GEOSTAR EQUINE ENERGY,
INC., GEOSTAR FINANCIAL CORPORATION,
GEOSTAR FINANCIAL SERVICES
CORPORATION, and DOES 1-100,

Defendants,

and

AXIS REINSURANCE COMPANY,

Plaintiff,

v.

Case Number 09-12608-BC
Honorable Thomas L. Ludington

GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON, JOHN W.
PARROTT, S. DAVID PLUMMER, SPENCER D.
PLUMMER, CLASSICSTAR FARMS, INC.,
CLASSICSTAR FARMS, LLC, FIRST SOURCE
WYOMING, INC., GEOSTAR EQUINE ENERGY,
INC., GEOSTAR FINANCIAL CORPORATION,
GEOSTAR FINANCIAL SERVICES
CORPORATION, and DOES 1-100,

Defendants,

and

GEOSTAR CORPORATION, TONY P.
FERGUSON, THOM E. ROBINSON, JOHN W.
PARROTT, CLASSICSTAR FARMS, INC., FIRST
SOURCE WYOMING, INC., GEOSTAR
FINANCIAL CORPORATION, and GEOSTAR
FINANCIAL SERVICES CORPORATION,

Plaintiffs,

v.

Case Number 09-14306-BC
Honorable Thomas L. Ludington

AXIS REINSURANCE COMPANY,

Defendant,

v.

S. DAVID PLUMMER and SPENCER D.
PLUMMER,

Plaintiff-Intervenors.

ORDER

The Court, having considered the Stipulated Judgment dated July 16, 2010, hereby orders as follows:

1. The insurance policies at issue in the above-captioned cases are rescinded and void *ab initio* because the requirements for rescission of the Policies, including all premiums being returned, have been met.
2. The above-captioned cases (case numbers 09-12488, 09-12608, and 09-14306) are DISMISSED WITH PREJUDICE with each party bearing its own costs.

s/Thomas L. Ludington
THOMAS L. LUDINGTON
United States District Judge

Dated: July 23, 2010

PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing order was served upon each attorney or party of record herein by electronic means or first class U.S. mail on July 23, 2010.

s/Tracy A. Jacobs
TRACY A. JACOBS